

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

B

SW-02361A
Black Mountain Sewer Corporation
12725 W. Indian School Rd. Suite D101
Avondale, AZ 85392

RECEIVED

APR 16 2008

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

ANNUAL REPORT

FOR YEAR ENDING

12	31	2007
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FOR COMMISSION USE

ANN05	07
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4-16-08

COMPANY INFORMATION

Company Name (Business Name) Black Mountain Sewer Corporation

Mailing Address 12725 W. Indian School Rd. Suite D101
(Street)

Avondale Arizona 85392
(City) (State) (Zip)

(623) 935 - 9367 (623) 935 - 1020
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____

Local Office Mailing Address 12725 W. Indian School Rd. Suite D101
(Street)

Avondale Arizona 85392
(City) (State) (Zip)

(623) 935 - 9367 (623) 935 - 1020
Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: Greg Sorensen VP
(Name) (Title)

12725 W. Indian School Rd., Suite D101 Avondale AZ 85392
(Street) (City) (State) (Zip)

(623) 298-3753 (623) 935-1020
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____

On Site Manager: Bob Dodds President
(Name)

12725 W. Indian School Rd. Suite D101 Litchfield Park Arizona 85392
(Street) (City) (State) (Zip)

(623) 935-9367 (623) 935-1020
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: CT Corporation System

(Name)

3225 N Central Ave

(Street)

Phoenix

(City)

AZ

(State)

85012

(Zip)

(602) 277-4792

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: Jay Shapiro @ Fennemore Craig

(Name)

3003 North Central Ave, Suite 2600

(Street)

Phoenix

(City)

AZ

(State)

85012-2913

(Zip)

(602) 916-5366

Telephone No. (Include Area Code)

(602) 916-5566

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☒ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME**BLACK MOUNTAIN SEWER CORPORATION****UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
351	Organization			
352	Franchises			
353	Land and Land Rights	461,446		461,446
354	Structures and Improvements	2,587,851	1,220,688	1,367,163
355	Power Generation Equipment	7,610	0	7,610
360	Collection Sewers - Force	358,875	220,385	138,490
361	Collection Sewers - Gravity	4,223,574	2,877,477	1,346,097
362	Special Collecting Structures			
363	Services to Customers	188,567	144,957	43,610
364	Flow Measuring Devices	39,878	31,403	8,475
365	Flow Measuring Installations		46,354	(46,354)
370	Receiving Wells			0
371	Pumping Equipment			0
380	Treatment and Disposal Equip.	2,422,859	627,206	1,795,653
381	Plant Sewers	121,651	86,930	34,721
382	Outfall Sewer Lines			
389	Other Plant and Misc. Equipment	1,064,869	338,087	726,782
390	Office Furniture and Equipment	369,739	99,677	270,062
391	Transportation Equipment	107,368	21,463	85,904
393	Tools, Shop and Garage Equip.	4,015	26	3,989
394	Laboratory Equipment	7,488	3,336	4,152
395	Power Operated Equipment			
398	Other Tangible Plant			
	TOTALS	11,965,790	5,717,989	6,247,801

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME**BLACK MOUNTAIN SEWER CORPORATION****CALCULATION OF DEPRECIATION EXPENSE**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
351	Organization			
352	Franchises			
353	Land and Land Rights	461,446		0
354	Structures and Improvements	2,587,851	5%	91,602
355	Power Generation Equipment	7,610		0
360	Collection Sewers - Force	358,875	5%	15,948
361	Collection Sewers - Gravity	4,223,574	5%	200,426
362	Special Collecting Structures	0		0
363	Services to Customers	188,567	5%	9,428
364	Flow Measuring Devices	39,878	5%	1,994
365	Flow Measuring Installations	0	5%	9,303
370	Receiving Wells	0	5%	0
371	Pumping Equipment	0	5%	0
380	Treatment and Disposal Equip.	2,422,859	5%	34,932
381	Plant Sewers	121,651	5%	6,083
382	Outfall Sewer Lines	0		0
389	Other Plant and Misc. Equipment	1,064,869	5%	45,037
390	Office Furniture and Equipment	369,739	5%	18,464
391	Transportation Equipment	107,368	5%	4,391
393	Tools, Shop and Garage Equip.	4,015		26
394	Laboratory Equipment	7,488	5%	374
395	Power Operated Equipment	0		0
398	Other Tangible Plant	0		0
	SUBTOTAL	11,965,790		438,008
	CIAC Amortization			(266,965)
	TOTALS	11,965,790		171,043

This amount goes on Comparative Statement of Income and Expense Acct. 403

COMPANY NAME**BLACK MOUNTAIN SEWER CORPORATION****BALANCE SHEET**

Acct. No.	ASSETS	BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 52,579	\$ 55,971
132	Special Deposits		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	65,488	13,112
146	Notes/Receivables from Associated Companies	265	0
151	Plant Material and Supplies		
162	Prepayments	8,410	9,656
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 126,742	\$ 78,739
	FIXED ASSETS		
101	Utility Plant in Service	11,612,379	11,965,790
103	Property Held for Future Use		
105	Construction Work in Progress	150,097	1,010,647
108	Accumulated Depreciation - Utility Plant	5,279,981	5,717,989
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	\$ 6,482,495	\$ 7,258,449
	TOTAL ASSETS	\$ 6,609,237	\$ 7,337,188

NOTE: Total Assets on this page should equal Total Liabilities and Capital on the following page.

COMPANY NAME BLACK MOUNTAIN SEWER CORPORATION
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BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 29,840	\$ 65,221
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies	1,193,938	1,390,350
235	Customer Deposits		
236	Accrued Taxes	17,432	13,702
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	29,308	205,399
	TOTAL CURRENT LIABILITIES	\$ 1,270,518	\$ 1,674,672
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds		
	DEFERRED CREDITS		
252	Advances in Aid of Construction	\$ 1,512,938	\$ 1,548,081
253	Other Deferred Credits	(225,858)	(210,983)
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	5,338,988	5,341,461
272	Less: Amortization of Contributions	4,084,914	4,351,879
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 2,541,154	\$ 2,326,681
	TOTAL LIABILITIES	\$ 3,811,672	\$ 4,001,352
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 1,009,680	\$ 1,009,680
211	Other Paid in Capital	1,301,007	1,516,007
215	Retained Earnings	486,878	810,148
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 2,797,565	\$ 3,335,835
	TOTAL LIABILITIES AND CAPITAL	\$ 6,609,237	\$ 7,337,187

COMPANY NAME

BLACK MOUNTAIN SEWER CORPORATION**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

	OPERATING REVENUES	PRIOR YEAR	TEST YEAR
521	Flat Rate Revenues	\$ 1,296,255	\$ 1,564,374
522	Measured Revenues		
536	Other Wastewater Revenues	10,621	8,211
	TOTAL REVENUES	\$ 1,306,876	\$ 1,572,585
	OPERATING EXPENSES		
701	Salaries and Wages		
710	Purchased Wastewater Treatment	4,586	4,732
711	Sludge Removal Expense	1,247	108
715	Purchased Power	49,071	52,752
716	Fuel for Power Production		
718	Chemicals	74,651	43,459
720	Materials and Supplies	16,440	9,202
731	Contractual Services - Professional	3,384	11,037
735	Contractual Services - Testing	28,018	8,587
736	Contractual Services - Other	551,787	738,760
740	Rents	3,945	2,348
750	Transportation Expense	11,485	23,321
755	Insurance Expense	19,607	21,351
765	Regulatory Commission Expense	39,510	55,792
775	Miscellaneous Expense	23,479	33,457
403	Depreciation Expense	131,489	171,043
408	Taxes Other Than Income		
408.11	Property Taxes	35,166	27,719
409	Income Taxes	108,680	125,432
	TOTAL OPERATING EXPENSES	\$ 1,102,545	\$ 1,329,100
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$ 6,636	\$ -
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	103,962	0
	TOTAL OTHER INCOME/EXP	\$ (97,326)	\$ -
	NET INCOME/(LOSS)	\$ 107,005	\$ 243,485

COMPANY NAME BLACK MOUNTAIN SEWER CORPORATION
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SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

COMPANY NAME BLACK MOUNTAIN SEWER CORPORATION

WASTEWATER COMPANY PLANT DESCRIPTION

TREATMENT FACILITY

TYPE OF TREATMENT (Extended Aeration, Step Aeration, Oxidation Ditch, Aerobic Lagoon, Anaerobic Lagoon, Trickling Filter, Septic Tank, Wetland, Etc.)	Extended Aeration	
DESIGN CAPACITY OF PLANT (Gallons Per Day)	160,000 GPD BMSC Treatment Facility	318,000 GPD Scottsdale

LIFT STATION FACILITIES

Location	Quantity of Pumps	Horsepower Per Pump	Capacity Per Pump (GPM)	Wet Well Capacity (gals)
Commercial	2	20	200	1,130
CIE	2	15	200	4,200
Indian Rock	2	11.3	100	470
Sage Brush	2	3	N/A	470
Trade Center	2	0.75	N/A	200
Sentinel Rock	2	15	370	1,500
Carefree Highway	2	25	350	1,525
Stagecoach Pass	2	5	50	470
Peaceful Place	2	1	15	470
Sunset Trails	2	30	290	2,600
El Pedregal	2	10	185	2,000
Ridgeview	2	5	100	470
Canyon Crossings	2	3	85	300
Carefree Village	2	3	85	1,760
Indian Basket	2	1	11	150

FORCE MAINS

Size	Material	Length (Feet)
3"	ACP	915
4"	ACP	9,366
6"	ACP	7,460
1.25"	PVC	443
1.5"	PVC	5,384
2"	PVC	5,155
4"	PVC	2,390
6"	PVC	10,353
8"	PVC	10,426
4"	DIP	3,000
6"	DIP	1,135

MANHOLES

Type	Quantity
Standard	1,016
Drop	14

CLEANOUTS

Quantity
30

COMPANY NAME	BLACK MOUNTAIN SEWER CORPORATION
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WASTEWATER COMPANY PLANT DESCRIPTION (CONTINUED)

COLLECTION MAINS

Size (in inches)	Material	Length (in feet)
4	ABS	1263
12	ABS	9,343
6	VCP	12,760
8	VCP	71,673
10	VCP	7,675
15	VCP	1,900
6	PVC	3,046
8	PVC	90,059
10	PVC	3,455
12	PVC	565
15	PVC	6,735
6	DIP	85
8	DIP	1,280
15	DIP	165
18	CIP	130
21	CIP	74

SERVICES

[illegible]

FOR THE FOLLOWING FIVE ITEMS, LIST THE UTILITY OWNED ASSETS IN EACH CATEGORY

SOLIDS PROCESSING AND HANDLING FACILITIES	N/A
DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, Etc.)	Sodium Hypo-Chlorite (Bleach)
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	Rapid Sand Filter
STRUCTURES (Buildings, Fences, Etc.)	Main blower building Chlorine building Headworks building Concrete block wall (plant)
OTHER (Laboratory Equipment, Tools, Vehicles, Standby Power Generators, Etc.)	Odor control scrubber (plant); Stand-by generator (portable); Lifting crane assembly; Chemical injection system (commercial); Case backhoe; Chevy pickup; Stand-Generator (Carefree Village)

COMPANY NAME BLACK MOUNTAIN SEWER CORPORATION

WASTEWATER FLOWS

MONTH/YEAR (Most Recent 12 Months)	NUMBER OF SERVICES	TOTAL MONTHLY SEWAGE FLOW	SEWAGE FLOW ON PEAK DAY
Jan-07	2,017	3,669,215	176000
Feb-07	2,021	3,309,000	168000
Mar-07	2,022	3,669,000	222000
Apr-07	2,024	2,215,000	194000
May-07	2,024	3,717,000	170000
Jun-07	2,027	3,592,000	162000
Jul-07	2,028	3,720,000	185000
Aug-07	2,029	3,179,000	293000
Sep-07	2,030	3,600,000	120000
Oct-07	2,108	3,720,000	198000
Nov-07	2,112	2,821,000	187000
Dec-07	2,111	3,720,000	187000

PROVIDE THE FOLLOWING INFORMATION AS APPLICABLE

Method of Effluent Disposal (leach field, surface water discharge, reuse, injection wells, groundwater recharge, evaporation ponds, etc.)	Reuse
Wastewater Inventory Number (all wastewater systems are assigned an inventory number)	100351
Groundwater Permit Number	N/A
ADEQ Aquifer Protection Permit Number	APP100351
ADEQ Reuse Permit Number	R105424
EPA NPDES Permit Number	N/A

STATISTICAL INFORMATION

Total number of customers 2,111

Total number of gallons treated 40,931,215 gallons

COMPANY NAME BLACK MOUNTAIN SEWER CORPORATION YEAR ENDING 12/31/2007

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported Unable to isolate due to Consolidated Return filed
Estimated or Actual Federal Tax Liability 99,725

State Taxable Income Reported Unable to isolate due to Consolidated Return filed
Estimated or Actual State Tax Liability 25,706

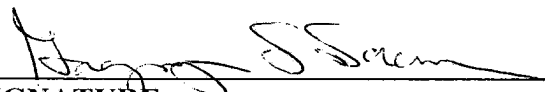
Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances N/A
Amount of Gross-Up Tax Collected N/A
Total Grossed-Up Contributions/Advances N/A

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

4/15/08
DATE

Gregory S Sorenson
PRINTED NAME

VP Finance
TITLE

COMPANY NAME BLACK MOUNTAIN SEWER CORPORATION YEAR ENDING 12/31/2007

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2007 was: \$ 31,449

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

RECEIVED

APR 16 2008

VERIFICATION

STATE OF Arizona
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME) Maricopa
NAME (OWNER OR OFFICIAL) TITLE Greg Sorensen, Vice President
COMPANY NAME Black Mountain Sewer Corporation

**AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES**

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

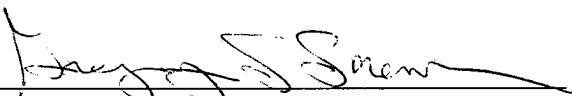
MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



SIGNATURE OF OWNER OR OFFICIAL

623 298 3753

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 5th DAY OF

COUNTY NAME Maricopa	
MONTH April	.20 <u>08</u>



MY COMMISSION EXPIRES July 22, 2011



SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

APR 16 2008

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Maricopa	AZ CORPORATION COMMISSION DIRECTOR OF UTILITIES
NAME (OWNER OR OFFICIAL) TITLE Greg Sorensen, Vice President	
COMPANY NAME Black Mountain Sewer Corporation	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH 12	DAY 31	YEAR 2007
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HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT


IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2007 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 1,572,585

**(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 0
IN SALES TAXES BILLED, OR COLLECTED)**

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**



SIGNATURE OF OWNER OR OFFICIAL
623 298 3753

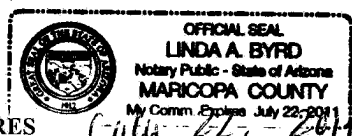
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 15th **DAY OF**

(SEAL)



MY COMMISSION EXPIRES

July 22 - 2011

COUNTY NAME Maricopa	
MONTH April	.20_08



SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only**

RECEIVED

APR 16 2008

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Maricopa		
NAME (OWNER OR OFFICIAL)	Greg Sorensen	TITLE	Vice President
COMPANY NAME	Black Mountain Sewer Corporation		

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2007 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

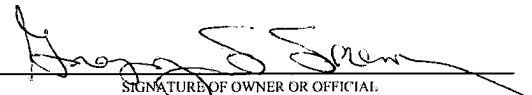
\$ 1,079,407.31

THE AMOUNT IN BOX AT LEFT

INCLUDES \$ 0

IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.


SIGNATURE OF OWNER OR OFFICIAL

623 298 3753

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

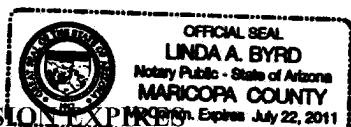
THIS

15th

DAY OF

NOTARY PUBLIC NAME <u>Linda A Byrd</u>	
COUNTY NAME <u>Maricopa</u>	
MONTH <u>April</u>	<u>2008</u>

(SEAL)



MY COMMISSION EXPIRES

July 22, 2011

X 
SIGNATURE OF NOTARY PUBLIC